

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 04986 172351Z
ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 FEA-01
/110 W

----- 051194 /67

P R 172308Z DEC 76
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 1962
INFO US MISSION GENEVA 942
US DEL MTN GENEVA
ALL CONSULAR POSTS IN CANADA

UNCLAS OTTAWA 4986

E.O. 11652: N/A
TAGS: ETRD, CA
SUBJ: GOC RESTRICTIONS ON CLOTHING IMPORTS MODIFIED

REF: (A) OTTAWA 4875

(B) STOLER/LEARY TELECON DECEMBER 16

1. SUMMARY. ON DECEMBER 16 ITC MINISTER JEAN CHRETIEN
ANNOUNCED MODIFICATIONS OF INTERIM RESTRICTIONS ON
IMPORTS OF CLOTHING IN ORDER TO ALLEVIATE HARDSHIPS
WHICH RESTRICTIONS HAVE CREATED FOR SOME FIRMS IN
IMPORTATION, DISTRIBUTION AND RETAIL TRADES. MEASURES
DO NOT REPEAT NOT INCLUDE ACCOMMODATION FOR GOODS ON
ORDER BUT NOT IN TRANSIT BEFORE NOVEMBER 29. END SUMMARY.

2. FOLLOWING ARE KEY POINTS IN ITC ANNOUNCEMENT:
(A) IN ALLOCATING IMPORT QUOTA ENTITLEMENTS ON THE
BASIS OF 1975 IMPORTS, 90 PERCENT ONLY SHOULD BE ACCORDED
ON THE BASIS OF 1975 PERFORMANCE. THIS WILL LEAVE AN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 04986 172351Z

UNALLOCATED AMOUNT WHICH COULD BE USED TO DEAL
WITH SPECIAL HARDSHIP CASES. SUCH CASES WILL BE
REFERRED TO A SPECIALLY CONSTITUTED COMMITTEE
WITHIN ITC WHICH WILL BE RESPONSIBLE FOR ADVISING
ON INDIVIDUAL HARDSHIP APPLICATIONS. TEXTILE
AND CONSUMER PRODUCTS BRANCH OF ITC WILL BE

CONTACT POINT FOR ALL APPLICATIONS. COMMITTEE WILL CONSIDER A LIMITED DEGREE OF INTERCHANGEABILITY OF PERMITS AMONG THE VARIOUS CATEGORIES OF CLOTHING UNDER CONTROL WHEN NECESSARY IN ORDER TO RESPOND TO MARKET CHANGES.

(B) AS PREVIOUSLY ANNOUNCED, GOODS IN TRANSIT AS OF MIDNIGHT NOVEMBER 29 AND UP TO LEVEL OF IMPORT ALLOCATIONS BASED ON IMPORTS IN 1975 WILL BE PERMITTED. HOWEVER, DEMANDS TO ALLOW COMPLETION OF TRANSACTIONS ON BASIS OF LETTERS OF CREDIT OR EQUIVALENT COMMITMENTS MADE PRIOR TO NOVEMBER 29 OR TO ACCOMMODATE IMPORTERS WHO WOULD NOT BE ELIGIBLE FOR IMPORT ALLOCATION BECAUSE THEY DID NOT IMPORT IN 1975 CANNOT BE MET. "IT IS JUST NOT POSSIBLE AT THE SAME TIME TO IMPOSE IMPORT RESTRICTIONS AND TO SATISFY ALL IMPORTERS."

(C) SPECIAL ACTION WILL BE TAKEN WITH RESPECT TO CANADIAN FIRMS SELLING HIGH FASHION AND SPECIALTY ITEMS WHICH COMMAND SUBSTANTIAL PREMIUM IN MARKET AND IMPORTS OF WHICH ARE NOT DISRUPTIVE TO CANADIAN PRODUCTION. SPECIAL REVIEW COMMITTEE UNDER TEXTILE AND CLOTHING BOARD HAS BEEN ESTABLISHED TO DETERMINE ELIGIBILITY OF INDIVIDUAL IMPORT PERMIT APPLICATIONS IN THIS CATEGORY.

(D) TO OVERCOME POSSIBILITY OF FALLOFF IN IMPORTS OF CHILDREN'S CLOTHING, PERMITS ALLOCATED FOR IMPORTS OF CHILDREN'S WEAR FOR 1977 NOT TRANSFERABLE
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OTTAWA 04986 172351Z

TO COVER IMPORTS OF CLOTHING FOR ADULTS. HOWEVER, ADULT CLOTHING ALLOCATIONS CAN BE CONVERTED TO CHILDREN'S WEAR ON BASIS THREE UNITS ADULT CLOTHING TO FOUR UNITS CHILDREN'S CLOTHING IN SAME CATEGORY.

(E) TO AVOID DAMAGE TO PRE-CHRISTMAS SALES OF SMALL RETAILERS GOODS SHIPPED AFTER NOVEMBER 29 AND IN CUSTOMS AS OF MIDNIGHT DECEMBER 16 MAY BE IMPORTED UNDER OPEN GENERAL LICENSE UP TO VALUE OF \$10,000 PER INDIVIDUAL SHIPMENT. THIS SPECIAL PROVISION DOES NOT APPLY TO OUTERWEAR.

2. MINISTER STRESSED DETERMINATION TO ENSURE EFFECTIVENESS OF IMPORT PROGRAM IS MAINTAINED. IF THERE IS ANY EVIDENCE OF ABUSE OF SPECIAL FACILITIES JUST ANNOUNCED, FACILITIES WILL BE MODIFIED ACCORDINGLY.

3. MINISTER ALSO STRESSED THAT IMPORT RESTRICTIONS

SHOULD NOT RESULT IN UNJUSTIFIABLE PRICE INCREASES
AND THAT IF THERE IS "EVIDENCE OF THIS KIND OF
ADVANTAGE BEING TAKEN OF THE MARKET SITUATION,"
THE MEASURES WOULD HAVE TO BE RECONSIDERED.

4. TEXT OF ITC NEWS RELEASE AS WELL AS NEWSPAPER
ARTICLES FROM GLOBE AND MAIL AND GAZETTE BEING
POUCHED EUR/CAN (BLAKEMORE),
TRADE AGREEMENTS DIVISION (WESTON), COMMERCE
(HARDING/STOLER), AND INFO ADDRESSEES.
LEARY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLOTHING, IMPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OTTAWA04986
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760465-0530
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761233/aaaabcdx.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 OTTAWA 4875
Review Action: RELEASED, APPROVED
Review Authority: schwenja
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2004 by hattaycs>; APPROVED <30 AUG 2004 by schwenja>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOC RESTRICTIONS ON CLOTHING IMPORTS MODIFIED
TAGS: ETRD, CA, US, (CHRETIEN, JEAN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006